

FSC-11-B		1/20/98	
SUBJECT: 1998 SALEM Tear Tape Program			
DISTRIBUTION:			
<u>X</u> AVP	<u>X</u> KAM	<u>X</u> DM	
<u>X</u> RSM	<u>X</u> AM	<u>X</u> RM	
<u>X</u> RBM	<u>X</u> AE	_____	Sales Rep
<u>X</u> ROM		_____	Retail Rep

cc: Jimmy 1/21
\$
Pack outlets
Template stubs
2-1-98

Objective: To communicate 1998 SALEM Tear Tape Program.

Purpose: To assist Field Sales at retail in defending SALEM volume.

The SALEM Tear Tape Product Program has proven to be successful in easing the execution burden at retail. The revised program for 1998 will enable us to be more efficient and effective which will enable SALEM to be more competitive in its discounting efforts at retail.

Program Details

- Tear tape product will be produced with a set value of 30¢ off per pack. It has been determined that this national marketplace value is sufficient to hold our current volume base.
- The styles available for order will be FF 85, Lt 85, FF 100, Lt 100.
- Tear tape product is to be utilized in all pack outlet segments as identified as being on grid for SALEM.
- This program is scheduled to be worked at retail the second week of each month starting in April running through December 1998.

Display

- Item - #541964, Description - SALEM 98 SNIPED 40 PK DISPLAY/SHIPPER
- A four-carton, brand-specific display will be provided for your use. It is imperative that all discounted product be displayed on this unit or another display platform you have available at retail outlets. Due to the SALEM graphics and discount amount on the riser card, your first priority should be to utilize the display which has been provided. Displays should be shipped with product during April timeframe. If needed, utilize the existing \$1.50 SALEM temporary display payment. Displays will be packed one per and are on open order.

Product

- All product will be shipped to direct accounts off invoice.
- Product will be shipped in white cartons.

UPC Codes for packs:

Style	Promotional Pack UPC	Case	* Carton
FF 85	0 12300 12039-5	24194-6	9724461000
Lt 85	0 12300 12439-3	24196-0	9724458000
FF 100	0 12300 12239-9	24195-3	9724462000
Lt 100	0 12300 12539-0	24197-7	9724460000

* Promotional carton UPC will not be printed on the carton. Communicate to direct accounts as needed.

Evan
#6316

51861 0843

Direct Account MSA Reporting Description

SAL Q2 .30/1 PK

- SALEM KS - SALEM KS Lt
- SALEM 100 - SALEM 100 Lt

It is important that promotion descriptions are entered in the promotion description field exactly as listed.

VAP Payment

- Display packing and shipping (place cartons in display and ship to retail).
 - ~~\$8~~ per 12M case equivalent.
- Product shipping only - no payment.
- Payment should be made by the ROU via TPS.

Allocation Process

- Similar to the method used for determining the CAMEL, WINSTON and DORAL account level allocation, a model has been developed for SALEM. Account level calculations are as follows:
 - AIM average weekly carton movement (SALEM KS, 100s, Lts KS, Lts 100s) x region quantity grid-recommended cartons of sniped product per style to be shipped to the account each month.
 - All pack outlets that are located in divisions on grid for SALEM in this outlet type will have recommended quantities.
 - Normal rounding methodology is followed below .5 rounds down, .5 and above rounds up to the next whole carton.
 - A minimum of one carton per style is calculated for each store with no maximum.
- A stub report will be generated for authorized calls. The report will give recommended carton quantities by brand style on 2/1/98.
- Field to adjust model quantities by 2/28/98.
- Templates available on 3/2/98.

K 34 (BPE)
function

Program Timing

	Promotion #	DTS	First Order Date	First Ship Date
April	800438	4/13/98	3/9/98	3/30/98
May	800438	5/11/98	4/6/98	4/27/98
June	800438	6/8/98	5/4/98	5/26/98

Program timing for July through December will be communicated in the third and fourth quarter workplan.

Although quantities by store will not be finalized until after model adjustments are made, the selling group should begin selling this program immediately.

Program Contacts: Lori O'Connor, extension #3019
Your Area Manager of Operations

R. J. REYNOLDS TOBACCO COMPANY

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